HOME OWNERS ASSOCIATION, ATLANTIC SANDS & SHORES, LAAIPLEK
MINUTES OF THE FOURTEENTH ANNUAL GENERAL MEETING, HELD AT THE RIVIERA HOTEL, VELLDRIF, ON 10 MAY 2025

1. WELCOME

The Chairperson, Paul Naude, welcomes everybody present and thanked them for making the time available to attend the meeting.

2. ATTENDANCE REGISTER

The attendance register was signed by all owners present in person or by proxy. The register is kept on record for future reference.

Owners representing 58 individual properties were present in person and 55 proxies were received.

3. PROXIES AND APOLOGIES

The proxies and apologies received are recorded on the attendance register.

4. QUORUM

The owners present in person and proxies received represent a quorum and the meeting was duly constituted. A quorum constitutes ~~of~~ 10% of the registered owners which represents 57 erven. A total of 113 owners were present in person or by proxy.

5. NOTICE

The notice is taken as received and read by all owners present.

6. APPROVAL OF THE PREVIOUS MINUTES

The minutes of the Annual General Meeting held on 11 May 2024 were distributed to all owners after the meeting in 2024 and again with the AGM documents that were sent out prior to the meeting of 10 May 2025.

It was approved as a true reflection of discussions and resolutions as proposed by P. Moen and seconded by S. Pickering.

7. MATTERS ARISING FROM THE PREVIOUS MINUTES

7.1 Estate management office and storeroom

This was discussed as part of the chairperson’s report.

8. CHAIRPERSON’S REPORT

The Chairperson’s report was circulated to owners ahead of the meeting.

- **Estate Office and Storeroom:**

  The estate office and storeroom have been completed. Mr. Naude informed the meeting that the materials for a carport had been purchased and would be installed once the rider plan receives municipal approval.

- **Constitution:**

  The revised constitution was submitted to the AGM for approval. Mr. Crous expressed concern that the document had not been amended correctly and includes references to legislation that may not be applicable. Mr. P. Naude noted that the constitution would be addressed under the relevant agenda item later in the meeting.

  Mr Crous also queried why the chairpersons report that was sent out was not signed by the chairperson, to which Mr Naude responded that he informed the MA that he would sign the document on the day of the meeting.

- **Speeding Within the Estate:**

  Speeding continues to be a concern. Although owners previously voted against the installation of permanent speed humps, the trustees had received an increasing number of complaints. As a result, they had decided to purchase movable speed humps for use in identified problem areas, currently concentrated in Sands South due to ongoing construction. Once the problem has been resolved, the speedbumps can be removed.

  MA suggested that an alternative measure could be the installation of speed cameras. However, this solution is costly, at approximately R70,000 per camera. The advantage is that such systems allow for the issuing of speeding fines.

  Speed limit signs have been installed within the estate, but they are being disregarded. Johan Greyling will speak to the builders and request that they adhere to the speed limit. Should an owner witness a vehicle exceeding the speed limit, please report the incident along with the vehicle's registration number to Johan Greyling so that appropriate action can be taken.

  An owner present suggested that all visitors and contractors should sign an acknowledgment of the estate's speed limit at the gate, which would help to hold them accountable.

- **Firefighting Trailer and Group:**

  The firefighting trailer has been commissioned, and a volunteer firefighting group has been established. In response to a query, Mr. P. Naude confirmed that the trailer is currently not licensed or insured. The newly elected trustees will address this matter. The contact details for the firefighting group will be shared with all owners. In the event of a fire, Johan or Esmé Greyling should be contacted. P. Naude thanked the volunteers for their time.

9. FINANCIAL STATEMENTS

The audited financial statements for the period ending 28 February 2025 were distributed to all owners ahead of the meeting.

Owners were invited to submit any questions or queries regarding the financial statements prior to the meeting. All questions received in advance were addressed via email.

Queries Raised During the Meeting:

H. Garcia raised the following points:

- Managing agent clarification:

  A query was raised regarding the distinction between Devman and Propex. The Managing Agent (MA) clarified that the company is officially registered as Devman Props CC, trading as Propex Property Services.

- Insurance Coverage vs. Financial Statement Figures:

  It was noted that the property insurance value is stated as R7,960,723.00, while the value of non-current assets in the financial statements is R903,506.00. The MA explained that the insured value includes items not reflected in the financial statements for depreciation purposes —such as roads and streetlights. These were installed by the developer and are required to be insured.

G. McDowell enquired about the R26,555.00 expense related to remotes. The MA clarified that in the past, the first remote was provided to owners at no charge. However, with the increase in sold erven and new residents moving in, the demand for remotes increased significantly. Due to the growing cost burden on the HOA, the trustees decided to discontinue free remote distribution as of September 2024. Remotes are now purchased by the HOA, and owners are invoiced accordingly when collecting one.

The unallocated receipts were discussed. MA informed the meeting that some owners have deposited levy payments into the bank account without using the correct reference. As a result, these payments cannot be allocated to the respective owners' accounts, as the source of the deposits is unknown.

He also queried the 2024 bank balance for the building deposit account, noting a discrepancy between the R7,000.00 reflected for 2024 and the R763,760.00 reflected for 2025. The Managing Agent confirmed that this is a mistake in the financial statements and will be amended.

A further query was raised regarding the balance of the Maintenance Reserve Fund following the completion of reserve fund maintenance work. The MA acknowledged the need to verify this information and obtain clarification from the auditors.

Due to these discrepancies, the financial statements could not be approved at the meeting. The MA will engage with TDP (the auditors) to correct the errors and provide the necessary clarifications. Once the revised financial statements are received, they will be circulated to the trustees for approval, after which they will be distributed to all owners.

Mr. Crous noted that, at another development where he is a member, the auditors attend the AGM to address any questions from members. He suggested that this could be considered for the next AGM.

10. EXPENSE BUDGET AND LEVIES

10.1 Levy and Expense Budget

The proposed budget, which was approved in principle by the trustees and circulated to all owners, was presented and discussed during the meeting.

An owner in attendance raised a concern, stating that levy increases should only be approved and implemented at the AGM. The Managing Agent explained that, while this is a valid viewpoint, it is common practice for trustees to approve the budget and levy increases at the beginning of the financial year, to ensure financial alignment.

Given that the financial year runs from 01 March to 28 February, and the levy amounts are calculated based on the budget, it would be impractical to delay the levy increase until the

AGM. Such a delay would result in a mismatch between projected income and actual expenses. The constitution also stipulates that the trustees may determine the levies.

Owners were given an opportunity to vote on this matter, and the majority supported implementing the levy increase at the start of the financial year.

G. McDowell queried the R4,600 expense allocated to trustees. The MA clarified that this amount represents the cost of the Managing Agent's attendance at trustees' meetings which incurs additional fees.

MA informed the meeting that the trustees had 3 meetings to discuss and finalise the budget. Mr. Crous enquired if the trustees meeting minutes are distributed to owners. MA advised it is normally not distributed to all owners, but it will be provided with prior arrangement with the chairperson. Any personal information pertaining to owners will be deleted for this purpose. MA further advised that the books and records are open for inspection by any registered owner of the HOA and can be viewed at the Managing Agents office on prior arrangement.

The budget for the previous financial year reflected a shortfall of R118,000.00, as the trustees opted not to implement a significant increase in levies. Consequently, the shortfall had to be covered from the reserve fund. The trustees expressed their intention to avoid a similar situation in the current financial year.

The MA further informed the meeting that the developer currently holds only 20 erven, meaning that the full year levy income will exceed budgeted projections as more individual owners contribute.

The following levy amounts were approved:

- R450.00 per erf for individual owners
- R182.00 per erf for investor-owned erven

The approval of the budget was proposed by J. Dippenaar and seconded by G. McDowell.

11. INSURANCE

The Managing Agent informed the meeting that CIA (the insurance provider) now requires the submission of an asset register to ensure that all assets are insured accurately.

As reflected in the financial statements, the previous insured amount was R7,960,723.00. Following the policy renewal on 01 March 2025, the updated insured value is R14,703,159.00. The increase is due to the inclusion of additional assets, which now include:

- Streetlights
- Roads
- Gate motors and gates
- Perimeter wall
- Guard houses
- Office and storeroom
- Solar and inverter systems at guard houses
- Electric fencing

The Fidelity insurance cover remains in place at R 3 253 832.00.

G. McDowell enquired whether the new insurance premium has been accounted for in the current budget. The MA confirmed that the new premium exceeds the amount originally budgeted, but it was approved by the trustees.

The MA also noted that the fire truck is not currently insured, as it is not yet registered to the HOA. Once the registration process is complete, the vehicle will be added to the insurance policy.

An owner enquired whether competitive quotes are obtained for insurance. The MA responded that this is typically done every few years and confirmed that the process will be undertaken again.

12. AUDITORS

MA reported that Theron du Plessis Inc. has conducted the audit for the past few years. In response to a request from an owner, MA agreed to obtain additional quotes from other auditing firms. The trustees must give names of auditors from which they would like quotes.

13. SPECIAL RESOLUTION – APPROVAL OF THE CONSTITUTION

P. Naude informed the meeting that the matter regarding the Constitution would not be discussed further, as the current meeting did not meet the requirements for passing a special resolution.

At the start of the meeting, Mr. Crous noted that, in his opinion, the proposed document may not be up to standard or legally sound. It was agreed that the newly appointed trustees, in conjunction with Mr. Crous, will review and revise the Constitution, and thereafter circulate the amended version to all owners for consideration.

An owner enquired whether TVDM had been paid for the amendments made to the Constitution. The Managing Agent confirmed that payment had been made, as TVDM had invested time and carried out the work as requested.

14. LEVY COLLECTION POLICY AND INTEREST RATE CHARGED ON LEVIES IN ARREARS

The following Levy Collection Policy and applicable interest rate were reviewed and approved:

- Levies are payable monthly in advance, at the beginning of each month, for that specific month.
- A monthly levy statement is issued to all owners.
- Accounts that remain outstanding for 30 days are followed up. If still unpaid after 60 days, a final demand is issued.
- Should the account remain unpaid within the timeframe specified in the final demand, it is handed over for collection, and all associated costs are for the owner's account.
- Interest will be charged at 15.5% per annum on all levy accounts that remain outstanding for 30 days or more.

L. van Wyk enquired about the effectiveness of the collection process. The Managing Agent explained that collections vary depending on individual cases. In some instances, owners pay immediately after receiving communication from the collection attorney. In others, the process can take years, especially when complications arise.

For example, within Atlantic Sands & Shores:

- Some owners cannot be traced.
- In one case, the owner is deceased, and the HOA must await the finalisation of the estate before the debt can be settled.

The MA emphasised that success depends on the specific circumstances pertaining to each case.

15. OWNERS ITEMS

15.1 Management of green belts

The greenbelts are managed in terms of the ROD which must be adhered to. No plants or trees may be planted on the green areas. Regular audits are also done by the authorities. Owl houses have been erected on the green areas, for which approval was granted.

15.2 Architectural guidelines – review

The control architect, Arno Jansen van Vuuren, is currently busy reviewing the guidelines document in conjunction with the trustees. The newly appointed trustees will have to finalise the document.

An owner, M. Joubert, addressed the meeting informing owners present that they have made a case at CSOS against the HOA as the HOA does not want to approve a plan submitted by them. P. Naude informed the meeting that the trustees asked an~~d~~ attorney, Willem Lombard, to submit the HOA's response to CSOS. Should Mrs and Mr Joubert need any further information, they should contact the attorney they had hired. Mrs Joubert asked owners present for their support in ordering a building audit in the HOA. It was not discussed further.

15.3 Builders rules

A Builder's Rules document must be signed by the owner and/or builder at the time of site handover, which is conducted by Johan Greyling prior to the commencement of any construction.
Should owners encounter any issues with builders or contractors not adhering to these rules, they must please report the matter directly to Johan Greyling.

15.4 HOA deposits – refundable and non-refundable

The meeting was informed of the current building deposit structure, which is applied as follows:

- A total of R7,000.00 is invoiced to the homeowner per new building project.
    - R3,000.00 is a non-refundable damage fee, intended for the repair of roads and verges.
    - R4,000.00 is a refundable building deposit, held in trust. This amount is non-interest bearing and will be refunded only upon receipt of the municipal occupation certificate for the completed house, unless there is damage which the builder has to fix, failing which the HOA will fix it and the homeowner will lose their R 4 000 deposit.

The refundable portion of the deposit (R4,000.00) is held in a separate Building Deposit bank account.

Owners enquired when road and verge repairs would be carried out. P. Naudé advised that:

- Urgent repairs will be addressed as needed.
- Major repair work will be undertaken once most of the building activity has been completed, as heavy construction vehicles (particularly large delivery trucks) continue to cause significant damage to roads and kerbs.

It was further noted that if damage to a kerb can be clearly linked to a specific individual or contractor, the cost of the repair will be charged to that party. This approach has already been implemented in previous kerb repair cases.

G. McDowell asked whether building work may commence without payment of the building deposit.
The Managing Agent confirmed that this is not possible. The building deposit must be paid in full before the HOA issues the plan approval letter. This letter is a mandatory requirement for submission to the municipality to obtain municipal approval for the building plans. Therefore, construction cannot begin until this process is completed.

15.5 Security – Specifications, tender, award

Expol Security Services was appointed following a tender process. The current contract expires on 31 May 2026. E. Julian expressed the view that they provide a good level of service.

15.6 Trustees communication – WA group and security WA group

The owners present expressed the view that trustees should be accessible via a WhatsApp group. Currently, there are two existing groups: a security group and a social ('kuier') group, to which owners may be added.

MA suggested that the trustees consider creating a dedicated WhatsApp group where owners can raise concerns or ask questions directly. The new elected trustees can investigate this.

15.7 Builders/Project managers approval

P. Naude reported that at a previous AGM, it was proposed that a list of approved builders be provided to owners. However, it was decided that this would not be permissible, as it could result in the formation of a so-called "builder mafia" within the estate.
The building guidelines do, however, require that any builder be registered with the NHBRC, which is a legally enforceable requirement. It was also noted that some owners within the estate have used developers to construct their homes and subsequently experienced financial losses. The HOA cannot be held liable in such cases, as the contractual relationship is between the owner and the builder.

P. van Wyk proposed that a committee be established to investigate this matter further and to explore possible measures that could be implemented in future to help prevent similar occurrences.

16. DOMICILLIUM OF THE HOA

It was decided that the auditor’s address will be taken as the domicilium, namely:
Theron du Plessis Inc.
Buena Vista office park
Cnr Durban and Kendal Road,
Durbanville
7550

17. APPOINTMENT OF MANAGING AGENT & LEVY CLEARANCE

The managing agent is appointed by the trustees and the appointment of Devman Props CC, trading as Propex Property Services is recorded. The trustees concluded a 3-year contract with Devman Props CC, which expires on 31 May 2026.

It is approved that H Truter and M Terblanche, H Gegenhuber and S Carosini from the managing agent’s office are authorised to sign all documentation pertaining to the Consent to Transfer and bond waiver when a property is sold.

18. ELECTION OF MANAGEMENT COMMITTEE

In terms of the constitution a minimum of four and a maximum of six trustees must be appointed.

All the current trustees, except for Jasper Hoon, were not available for re-election.

The following nominations were received:

P. Naude
R. du Plessis
P. van Wyk
J. Hoon
E. Greyling
L. Liversage
G. McDowell
A. Whitehorn
L. van Wyk
E. Julian
K. Smit

P. Naude, R. du Plessis, L. Liversage, and K. Smith indicated that they did not wish to serve on the committee and therefore could not be nominated or elected.

Owners were provided with nomination forms to vote.

The following trustees were elected:

Owners:

P. van Wyk
G. Mc Dowell
J. Hoon
L. van Wyk
E. Julian
A. Whitehorn

As there was no further business to discuss the meeting adjourned at 13h00.

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CHAIRPERSON DATE

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TRUSTEE DATE